



**Auditor of State  
Betty Montgomery**

**Village of Antwerp  
Paulding County**

**Fiscal Watch Analysis  
As of December 31, 2005**

**Local Government Services**

Village of Antwerp, Paulding County

Fiscal Watch Analysis

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**Declaration of Fiscal Watch**

The Auditor of State performed a fiscal analysis of the Village of Antwerp pursuant to Section 118.022 of the Ohio Revised Code. This analysis indicates and it is hereby declared that a fiscal watch exists at the Village of Antwerp as defined in Section 118.022(A)(2) of the Ohio Revised Code.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted and filed with Margaret Womack, Mayor of the Village of Antwerp, and the Paulding County Budget Commission.

*Betty Montgomery*

Betty Montgomery  
Auditor of State

December 22, 2006

## Village of Antwerp, Paulding County

### Fiscal Watch Analysis

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#### **Introduction**

In response to a request from Mayor Margaret Womack, as provided for in Section 118.021 of the Ohio Revised Code, the Auditor of State performed an analysis of the Village of Antwerp, Paulding County, as of December 31, 2005, to determine if the Village should be placed in fiscal watch.

A village is placed in fiscal watch if any one of three conditions described in Section 118.022 of the Ohio Revised Code exists as of December 31. The three conditions are: 1) significant past due accounts payable; 2) substantial deficit balances in village funds; and 3) a sizeable deficiency in the village's treasury when the balance is compared to the positive cash balances of the village's funds.

This report identifies the procedures performed and the conclusions reached with respect to each condition as of December 31, 2005.

#### **Past Due Accounts Payable from the General Fund and All Funds**

Section 118.022(A)(1) of the Ohio Revised Code defines a fiscal watch condition as the existence of either of the following situations:

- (a) All accounts that were due and payable from the general fund of a municipal corporation, county, or township at the end of the preceding fiscal year that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund, exceeded one-twelfth of the general fund budget for that year.
- (b) All accounts that were due and payable at the end of the preceding fiscal year from all funds of a municipal corporation, county, or township and that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds available to pay such accounts, exceeded one-twelfth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts of the general fund and of all special funds from which such accounts are payable.

The Village paid all of its 2005 accounts payable within a thirty day period.

Conclusion: A fiscal watch condition does not exist under Section 118.022(A)(1) of the Ohio Revised Code as of December 31, 2005. There were no accounts payable due from the general fund or any special funds which were at least thirty days past due at the end of the year.

#### **Deficit Fund Balances**

Section 118.022(A)(2) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of the preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Ohio Revised Code to meet such deficit, exceeded one-twelfth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

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We computed the adjusted aggregate sum of all deficit funds at December 31, 2005, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. We then determined if the aggregate deficit fund balance exceeded one-twelfth of the general fund budget and the revenues lawfully available to those deficit funds. We then identified funds that may be transferred, as provided in Section 5705.14 of the Ohio Revised Code, to meet such deficits to arrive at the unprovided portion of the aggregate deficit.

Schedule I

Deficit Fund Balances  
Ohio Revised Code Section 118.022 (A)(2)  
As of December 31, 2005

Funds	Cash Fund Balances	Less Accounts Payable and Encumbrances	Adjusted Aggregate Sum of Funds with Deficit Balances	One-Twelfth General Fund Budget/Fund Receipts	Unprovided Portion of Aggregate Deficit
General	\$4,455	(\$57,362)	(\$52,907)	\$9,398	(\$43,509)
Water Capital Improvement	1,251	(1,442)	(191)	2,413	0
Police	(51,501)	(5,373)	(56,874)	14,579	(42,295)
Subtotal	<u>(\$45,795)</u>	<u>(\$64,177)</u>	<u>(\$109,972)</u>	<u>\$26,390</u>	<u>(85,804)</u>
Funds Available for Transfer from the General Fund					<u>0</u>
Total Unprovided Portion of Aggregate Deficit Funds					<u><u>(\$85,804)</u></u>

**Conclusion:** A fiscal watch condition exists under Section 118.022(A)(2) of the Ohio Revised Code as of December 31, 2005. The adjusted aggregate balance of those funds with a deficit at December 31, 2005, did exceed one-twelfth of the general fund budget and the revenues lawfully available to the respective deficit funds.

**Treasury Deficiency**

Section 118.022(A)(3) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of a municipal corporation, county, or township, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds, the purposes of which the unsegregated treasury is held to meet, and such deficiency exceeded one-twelfth of the total amount received into the unsegregated treasury during the preceding fiscal year.

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We verified the Village's reconciled bank balance to its statement of cash position for all funds as of December 31, 2005, which included subtracting reconciling factors to arrive at a treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. We then subtracted from the treasury deficit one-twelfth of the amount received into the treasury during 2005 to determine if a treasury deficiency exists.

Treasury Balance		Schedule II
Ohio Revised Code Section 118.022(A)(3)		
As of December 31, 2005		
	Amounts at	
	<u>December 31, 2005</u>	
Bank Cash Balance		
Antwerp Exchange Bank	\$432,658	
Less		
Outstanding Checks	<u>(18,258)</u>	
Total Treasury Balance	<u>414,400</u>	
Positive Fund Balances		
General	4,455	
Street Maintenance	18,277	
State Highway	6,335	
FEMA	91	
Fed-Mayor's Court	7,720	
Permissive	3,566	
Fire	62,359	
EMS	27,100	
EMS Vehicle Replacement	1,950	
Sewer Reserve	63,000	
Water Reserve	23,707	
Water Capital Improvement	1,251	
Water Operating	155,519	
Wastewater Operating	71,273	
Indigent Driver	3,527	
FOJ	433	
Street Lighting	<u>15,338</u>	
Total Positive Fund Balances	<u>465,901</u>	
Treasury Deficit	(51,501)	
One-Twelfth Treasury Receipts	<u>98,774</u>	
Excess of One-Twelfth Treasury Receipts over Treasury Deficit	<u><u>\$47,273</u></u>	

Conclusion: A fiscal watch condition does not exist under Section 118.022(A)(3) of the Ohio Revised Code as of December 31, 2005. The treasury balance less the positive fund cash balances as of December 31, 2005, did not exceed one-twelfth of the treasury receipts for the year.

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**Summary**

We have performed the procedures necessary to determine whether any of the three conditions for fiscal watch set forth in Section 118.021 of the Ohio Revised Code existed as of December 31, 2005, at the Village of Antwerp, Paulding County. The results of our analysis indicate that a fiscal watch exists at the Village of Antwerp as defined in Section 118.022(A)(2) of the Ohio Revised Code.

Because the above procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported.



**Auditor of State  
Betty Montgomery**

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**VILLAGE OF ANTWERP**

**PAULDING COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 22, 2006**